



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

May 4, 1990

*Original
returned to
US Corp
6/30/92*

*Replaced
6/23/92*

TO: Board of Oil, Gas and Mining

THRU: Dianne R. Nielson, Director *DRN*

THRU: Lowell P. Braxton, Associate Director, Mining *LB*

FROM: D. Wayne Hedberg, Permit Supervisor/Hydrologist *DWH*

RE: Request for Board Concurrence, Amount and Form of Replacement Reclamation Surety, United States Gypsum Corporation, Jumbo-Jensen Quarry, M/041/008, Sevier County, Utah

The Division seeks the Board's concurrence on the amount and form of replacement reclamation surety provided by United States Gypsum Corporation for their Jumbo-Jensen Quarry. Attached is a new (Northern Trust Company) Irrevocable Letter of Credit (ILOC) which replaces an expired (First Interstate Bank) ILOC previously filed for this operation. Also included is a copy of a new Reclamation Contract (FORM MR-RC) which has been executed by the operator.

The new ILOC is not formatted with the same ILOC language which was proposed during the Board's April 26, 1990 executive session. However, the ILOC does contain the majority of the provisions outlined in the latest proposed ILOC form. There is an "evergreen"/automatic renewal clause, a 90-day termination notice provision, and language which would permit the Division to call on the full amount of the ILOC should the operator fail to "fulfill all requirements under the Utah Mined Land Reclamation Act" (i.e., fail to provide a timely replacement reclamation surety).

The timing of this replacement surety was such that we could not forward the April 26th proposed ILOC language to the operator before the first ILOC expired. The replacement ILOC became effective before the April 26th language became available. It is the Division's recommendation that the Board accept this ILOC which is up for renewal in one year. A revised ILOC could be drafted to replace this version if the Board desires that the April 26th (as amended) language be utilized for all ILOC's. Thank you for your time and consideration of this matter.

jb
Attachments
WMN2/22

DOGM MINERALS PROGRAM

Check list for Board Approval of FORM AND AMOUNT OF SURETY

Mine Name Jumbo Jensen Quarry

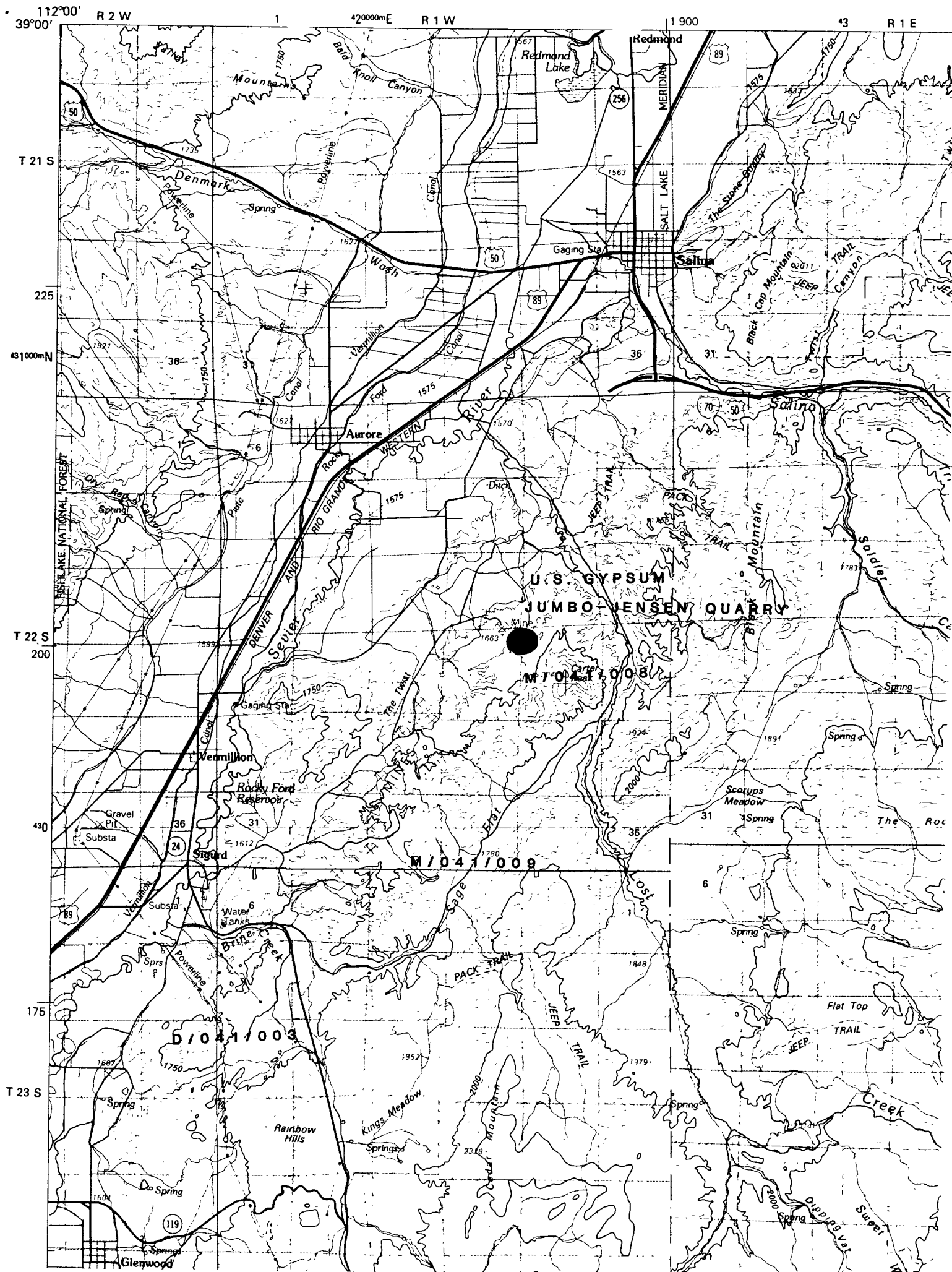
File No. M/041/008

Item	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		Prepared 2/11/88 (1993 Dollars)
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification		X	Not Applicable
Bond	X		Replacement Letter of Credit
Surety Signoff (Other State/Federal Agencies)		X	Not Applicable

jb
WMNcklst/2

SALINA, UTAH

MINESITE LOCATION MAP



Reclamation Bond Estimate
 Jumbo-Jensen Quarry
 M/041/008
 by
 Frank J. Filas
 February 11, 1988

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST/ACRE</u>
<u>Mine Site</u>			
1. Backfill and Grade, D-9H	4 hrs	\$165.00/hr	\$ 660
2. Spread Stockpiled Soil & Rip, D-9H W/Ripper	2 hrs	165.00/hr	330
3. Seed and Fertilize			
Farm Tractor W/Disk	2 hrs	50.00/hr	100
Laborer	2 hrs	11.00/hr	22
Seed	20 lbs	4.22/lb	84
Fertilizer	200 lbs	.19/lb	38
4. Reseed if Necessary Assume 20% Area to be Reseeded			<u>49</u>
	Subtotal		\$1,332
	Ten Percent Contingency		<u>133</u>
	Total (1988 Dollars)		<u>\$1,465</u>
Total in 1993 dollars (2.3% inflation for 5 years)			\$1,641

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST/ACRE</u>
<u>Roads</u>			
1. Spread Stockpiled Soil and Rip, D-9H W/Ripper	2 hrs	165.00/hr	330
2. Seed and Fertilize			
Farm Tractor W/Disk	2 hrs	50.00/hr	100
Laborer	2 hrs	11.00/hr	22
Seed	20 lbs	4.22/lb	84
Fertilizer	200 lbs	.25/lb	38
3. Reseed if Necessary Assume 20% of Area to be Reseeded			<u>49</u>
	Subtotal		\$ 623
	Ten Percent Contingency		<u>62</u>
	Total (1988 Dollars)		<u>\$ 685</u>
Total in 1993 Dollars (2.3% inflation for 5 years)			\$ 767

Total Reclamation Cost

Mining Areas: 111.4 acres x \$1,641/acre = \$182,800

Roads: 44.2 acres x \$ 767/acre = \$ 33,900

Total in 1993 Dollars \$216,700

0783Q-101